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The Growing Need of Corporate Attributes and Timeliness of Financial Reporting

Dr. Odogu Laime Isaac, Dr. Zebaghafa Sunday, Okpobo Timinipre Joseph

Department of Accountancy, Bayelsa State Polytechnic,
Aleibiri Ekeremor Local Government Area, Bayelsa State, Nigeria

ABSTRACT

This study examined the Growing Need of corporate attributes and Timeliness of Financial Reporting in Nigeria. Cross sectional data was sourced from financial statement of quoted banks. Number of days was modelled as a function of total assets, influence of industry sector, size of audit firm, profitability and number of employees. After cross examination of the validity of the pooled effect, fixed effect and the random effect, the study accepts the fixed effect model. The result found that profitability and influence of industry sector have positive relationship with timeliness of financial report of the selected bank. The panel unit root proved that the variables are stationary at first difference while the causality test found one unidirectional relationship with size of audit firm to timeliness of financial reporting. From the regression summary, the study concludes that corporate attributes have significant relationship with timeliness of financial reports. We recommend that corporate attributes that affect negative timeliness of financial reporting should be discouraged or properly managed and factors that enhance timeliness of financial reporting should be encouraged.

KEYWORDS: *Corporate attributes, Timeliness, Business incorporated, cumulative income*

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INTRODUCTION

In all countries, the production of financial reports is a requirement of the law. Financial reports have information content that has value to the users of the reports. This value includes the ability to use the reports to predict the performance of the firm. Information in the annual corporate reports can be used to influence the shareholders' and other users' impression of the company performance (Okike, 2014). Timeliness however, is one of the necessary qualitative characteristics of relevant financial information and is thus receiving increased attention from accounting regulators and listing authorities around the world (Abdullah, 2016). There exist extant literatures on the timeliness of financial statements due to the fact that timeliness as an important aspect of financial reporting has been identified by the Accounting Principles Board (APB) in the United States as one of the qualitative attributes of financial reporting (Iyoha; 2009).

In emerging economies like Nigeria, the provision of timely information in corporate reports assumes greater importance since other non-financial statement sources such as media releases, news conferences and financial analysts' forecasts are not well developed and the regulatory bodies are not as effective as in Western developed countries (Ahmed and Kamarudin, 2016).

In Nigeria, the demand for high quality and timely financial information has become particularly imperative due to the increasing exposure of Nigerian business organizations to international capital markets. Hence, the business organizations are being obliged to satisfy the information needs of foreign investors and to provide them with more timely and qualitative information in annual corporate financial reports. Recognizing the importance of timely release of financial information, regulatory agencies and laws in Nigeria have set statutory maximum time limits within which listed companies in Nigerian Stock Exchange (NSE) are required to issue audited financial statements to stakeholders and also file such reports with relevant regulatory bodies. The

Companies and Allied Matters Act, 2004 requires that all entities must produce financial reports on an annual basis. The law provides that the preparation of these reports is vested in the directors and the reports must be audited. The annual reports are thus considered as an important means of not only for gauging the performance of the entity but also for understanding how fund invested in the entity has been used and this would enable those who are interested in such entity to make pertinent investment decisions.

In Nigeria, in-spite of the existence of the various enactments, there have, however been a number of criticisms from various groups, including the World Bank, concerning perceived inadequacies in the financial reporting outcome of firms in Nigeria (Okike, 2014). For instance, the World Bank, in its Report on the Observance of Standards and Codes (ROSC) conducted in 2004, noted that the accounting and auditing standards in Nigeria suffer from "institutional weaknesses in regulation, compliance and enforcement of standards and codes." And timeliness in financial reporting is one of the requirements to be enforced and complied with by firms in Nigeria. The provision of timely information in corporate report is of great importance since other non-financial report sources such as media releases, news conferences and financial analysts' forecasts are not well developed and the regulatory bodies are not as effective as in the developed countries of the world hence, the heavy reliance on the corporate financial reports (Abernathy2019). The major source of annual financial results of firms is the financial reports. Delays in making public of the financial reports can create information asymmetries and cause users of such information to search for other alternative information. Abdullah (2016) argues that the longer the gap between the year end and the annual corporate report publication, the higher the chances that the information would be linked to some interested investors.

Aims and Objectives of the study

The main and objective of this study is to empirically investigate the Growing Need of corporate attributes and Timeliness of Financial Reporting in Nigeria. However, the following are the specific objectives of this research work:

To investigate the influence of industry sector type on the timeliness of corporate financial reporting in Nigeria

To examine the effects of the size of audit firm on the timeliness of financial reporting in Nigeria

In order to achieve the objectives stated above, these hypotheses hereunder are formulated in null forms:

Ho: Industry sector type has no significant relationship on the timeliness of corporate financial reporting in Nigeria

Ho: The size of audit firm have no impact on the timeliness of financial reporting in Nigeria

LITTERATURE REVIEW

This part of the work, takes a review of relevant literatures, looking at the conceptual framework, theoretical framework and empirical review.

CONCEPTUAL FRAMEWORK

Objectives of financial reporting

Financial reporting objectives are the broad overriding goals sought by accountants engaging in financial reporting. According to the FASB, objective of financial reporting is to: Provide information that is useful to present and potential investors and creditors and other users in making rational investment, credit, and similar decisions. The information should be comprehensible to those who have a reasonable understanding of business and economic activities and are willing to study the information with reasonable diligence. Interpreted broadly, the term other users include employees, security analysts, brokers, and lawyers. Financial reporting should provide information to all who are willing to learn to use it properly. The primary aim of financial reports is to present to stakeholder the information about the company's financial state and performance within the period in which the report covers. It is a medium of communicating to various stakeholders and providing information that will enable investors and creditors to make informed decisions. Hassan and Taylor (2018) states that qualitative characteristics are attributes that makes the financial information provided in financial statement useful to users. These attributes include relevance, reliability, comparability and understand ability. However, Abdullah, (2016) stated that financial statement is misleading if it lacks the qualities of accuracy, relevance, comparability and it contains fundamental errors or is prepared with the intention to deceive/confuse users. Since it provides vital information that aid investors and creditors in making informed decision, the timely release of the report is of important.

Iyoha (2019) believe that the timely release of corporate financial report has long been recognized as one of the qualitative attributes of financial reporting. This attribute suggests that financial statements shall be made available to the public within a reasonable period of time from the close of a company's financial year-end; otherwise the usefulness of the statements would be impaired. In financial institution and capital market where corporate financial information is a primary source of information to

creditors and shareholders, timely publication of the information is crucial (Iyoha, 2019). In line with this, Jaggi and Tsui, (2019) opines that for investors, timely reporting reduces the uncertainty relating to investment decision and asymmetric dissemination of financial information among stakeholders in the capital market this eliminate the occurrence of leak, rumours and insider trading in capital market (Owusu-Ansah, & Yeoh, 2000).

The qualitative characteristics of financial reporting:

According to IASB, the essential principle of assessing the financial reporting quality is related to the faithfulness of the objectives and quality of disclosed information in a company financial reports. These qualitative characteristics enhance the facilitation of assessing the usefulness of financial reports, which will also lead to a high level of quality. To achieve this level, financial reports must be faithfully represented, comparable, verifiable, timely, and understandable. Thus, the emphasis is on having transparent financial reports, and not having misleading financial reports to users; not to mention the importance of preciseness and predictability as indicators of a high financial reporting quality (Okike, 2014). As it is defined in the *Conceptual Framework for Financial Reporting* of the FASB and the IASB, there are agreed upon elements of high quality financial reporting. The qualitative characteristics of financial reporting quality include: relevance, faithful representation, understand ability, comparability, verifiability, and timeliness. They are divided into fundamental qualitative characteristics and enhancing qualitative characteristics. A theoretical explanation for each of these terms emphasizes their importance as qualitative characteristics, and also indicates what qualities are considered fundamental among different frameworks.

Relevance: Relevance is closely associated with the terms *usefulness* and *materiality*. Relevance illustrates the capability of making decisions by users. When information in financial reports influences users in their economic decisions, it is sad that this information has the quality of relevance. Also, when this information assists users to evaluate, correct, and confirm current and past events, it is useful. The usefulness of making a decision—an important part of relevance—is consistent with the conceptual framework (Cheung, Evans, & Wright, 2010). Fair value is considered one of the highly significant indicators of relevance. Using Fair Value in an entity, as a basis for measurement, is an indicator of a high level of relevance (Beest, Braam, & Boelens, 2019). **Reliability** is another critical factor of financial reporting quality. In financial reporting, information must have the quality of reliability in order to be useful. This quality is achieved when information, which users depend upon, is free from bias and material mistakes. Reliability is analyzed based on the qualities of faithful, verifiable, and neutral information (Cheung, Evans & Wright, 2010). **Comparability** is the concept of allowing users to compare financial statements to determine the financial position, cash flow, and performance of an entity. This comparison allows users to compare across time and among other companies in the same period. As Cheung, Evans & Wright (2010) remarked: ―Comparability demands that identical events in the two situations will be reflected by identical accounting facts and figures. different events will be reflected by different accounting facts and figures in a way which quantitatively reflects those differences in a comparable and easily interpretable manner. (Cheung et al.2010). **Understand ability** is one of the essential qualities of information in financial reports. Achieving the quality is through effective communication. Thus, the better the understanding of the information from users, the higher the quality that will be achieved. It is one of the enhancing qualitative characteristics that will increase when information is presented and classified clearly and sufficiently. When annual reports are well organized, users can comprehend what their needs are (Beest et al.2019). **Faithful Representation** is the concept of reflecting and representing the real economic position of the financial information that has been reported. This concept has the value of explaining how well the obligations and economic resources, including transactions and events, are fully represented in the financial reporting. Moreover, this quality has neutrality as a sub notion which is about objectivity and balance. Willekens (2018), (Downen, 2014).

Timeliness of Accounting Information

Timeliness is another enhancing qualitative characteristic. Timeliness illustrates that information must be available to decision makers before losing its powerful and good influences. When assessing the quality of reporting in an annual report, timeliness is evaluated using the period between the year-end and the issuing date of the auditor report—the period of days it took for the auditor to sign the report after the financial year-end (Beest, Braam & Boelens, 2019). According to Iyoha, (2019), there are three ways to measure timeliness. The first way is to consider the form in which the news is disclosed. In this regard, the different forms of disclosure will include: voluntary disclosure of earnings forecasts by management, voluntary pre-announcement of earnings and mandatory earnings announcement. The

first form is considered the timeliest while the last is considered the least timely. The second way to measure timeliness according to Iyoha (2019) is to calculate the number of trading days between the end of the reporting period and the reporting date. This major approach was also used by (Givoly and Palmon 2012). The third method of measuring timeliness is by looking at the company's own disclosure policy and comparing report date to historical dates. Timeliness is important to protect the users of accounting information from basing their decision on out-date information. Though producing reliable and accurate information may take more time but the delay in provision of accounting information may make it less relevant to users. Therefore, it is necessary that an appropriate balance is achieved between the timeliness and reliability of accounting information (Downem, 2014). The shareholders of corporate companies are required by law to make their financial information known to the public. This makes it convenient for the stakeholders to access and estimate the value of the shares so as to make decisions. According to Robert, John and Robert (2017), stated that timeliness of information released can affect the level of uncertainty association. For example, it has been shown analytically that timeliness can affect a decision maker's action choices and expected pay off. Also, recent empirical studies suggested that timeliness is associated with information used by the market to establish security prices. Givoly and Palmon (2012) stated that the price of firm condition on receiving a project and announcing the equity issue declines with the time since the last information released. The share price declines at the time of an equity issue is increasing in the time since the announcement of the equity issue. More so, users need timely information to enable them to make a prompt review to decide whether to commit or continue to commit their capital in a company. Delays in disclosing timely information on preparers part would result in greater market inefficiency and render the accounting numbers less value relevant (Abdullah, 2016). However, timeliness is an old and important concept in accounting when it refers to making information available to decision makers while it can still be used.

Theoretical Framework

The attitude towards timely presentation of financial statement could be explained by the stakeholder, stewardship and lending credibility theories.

Stakeholder Theory. The stakeholder theory suggests that in the absence of an opportunity to hide bad news, because of the mandatory disclosure requirements, CEOs tend to delay their report when it is bad news. By delaying bad news, managers make sure that the negative effect on the stock price is shifted to a later date. On the other hand, releasing good news early prevents the bad news from counteracting good news (Dogan, Coskun & Orhan, 2007). The authors also argue that delaying bad news basically means preventing the information from reaching the stakeholders and is beneficial until other companies release bad news in the industry. Moreso, Dogan et al (2007) observed that the shareholders' theory tends to explain well the behaviour of managers. By delaying bad news, managers ensure that the negative effect on the stock price happens later. And conversely releasing good news earlier prevents other resources from counteracting the good news. The argument now is that delaying bad news basically means preventing information from reaching the stakeholders. This theory is relevant to this study because of the timeliness of release of corporate report and its subsequent relevance or effects on the value of the firm. According to Hassan and Zakiah (2014), timeliness is clearly considered as an important qualitative characteristic of financial information. Financial information users need to obtain reliable, relevant and timely information, in order to survive in a highly competitive environment.

Stewardship Theory. A steward of the organization is one who demonstrates a commitment to the best interest of the organization as opposed to an agent whose interest may conflict with the organization and its principal. Stewardship is defined by current research as the attitudes and behaviours that place the long-term best interests of the group ahead of personal goals that serve an individual's self-interest (Leventis & Weetman, 2014). It exists to the extent that leaders take personal responsibility for organizational actions and wield organizational powers in the service of broader stakeholders' welfare. Stewardship is a traditional approach to accounting that places an obligation of a steward such as directors to provide relevant and reliable financial information relating to resources over which they have control but which are owned by others such as shareholders. A commitment to stakeholders' interest brings to the forefront the issue of personal responsibility, and in particular, balanced action. Within the business ethics context, a balanced action may entail a consideration of both fiduciary institutional obligations and the morally significant non-fiduciary obligations of leader to those whose welfare is affected by their actions. Accordingly, stewardship behaviour involves a commitment by the leader to consider the interplay between the organization systems, structures and relationships which determine the impact and the repercussions of their actions. This capacity to see the contextual fit of

choices and their consequences, the systems and relationships that interplay, and a historical insight that connects the past to the future, is fundamental in the leader's ability to make calls that contribute to the best interest of others (Leventis & Weetman, 2014).

Lending Credibility Theory. According to Iyoha (2019), lending credibility theory is similar to the agency theory and it states that audited financial statements can enhance stakeholders' faith in the management's stewardship. The business world consists of different groups that are affected by or participate in the financial reporting requirements of the regulatory agencies. They are shareholders, managers, creditors, employees, government and other groups. The major recipients of the annual financial reports are the shareholders, including individual with relatively small shareholding and large institutions. Their decision is usually based on the financial reporting and performance of company's management, who have a responsibility to act in the interest of investors. Thus, the purpose of financial statements. The auditor is appointed by the shareholders and reports his results to his clients. The aim of the auditor's report is to comment on how accurately the company presents its financial situation and how the company in a more favourable light. Basically, the auditor is represented as a process designed to evaluate the credibility of information of the company's financial statements (Iyoha, 2019).

Empirical Review

In emerging economies, the provision of timely information in corporate reports assumes greater importance, since other non-financial statement sources such as media releases, news conferences and financial analysts' forecasts are not well developed and the regulatory bodies are not as effective as in Western developed countries (Whittred, 2012). Users of financial information should be able to reach information they need in a timely manner in order that they can make reasonable decisions. Within this context, the timing of information is at least as important as its content for financial information users. In addition, stock values of publicly held companies are assumed to be based on such disclosed information. Disclosure of financial results, which are important indicators of a firm's performance, is a determining factor of firm value formed in the market (Dogan, Coskun, & Celik, 2017).

Timing of the disclosure of financial information is also important for preventing trading activities of insiders, unofficial disclosure of news and market rumours (Ansah, 2020). As compared with developed markets, protective measures and sanctions regarding prevention of trading activities can be inadequate in emerging markets. Companies in emerging markets disclose less information. Consequently, the timing of financial reporting should be expressly designed to minimize such activities, which damage the efficacy of the market in emerging contexts (Leventis & Weetman, 2014).

Many studies have been conducted to identify the determinants of financial reporting timeliness or audit delay. Dyer and McHugh (2015) studied three company characteristics (company size, the year-end closing date, and profitability) as major explanatory factors of audit delay. The study revealed that only company size had an impact upon audit delay. Others have argued that some explanatory variables such as extraordinary items, changes in accounting techniques, audit firm size and audit opinion are important variables to be taken into account (Davies & Whittred, 2018).

Whittred, (2012) examined 14 corporate attributes. They found that audit delay is significantly longer for companies with qualified audit opinions that operate in the industrial sector, are publicly traded, have a fiscal year-end other than December 31, have poorer internal controls, use less complex technology for data-processing or have a relatively greater amount of audit work performed after the year-end.

Newton and Ashton (2019) examined the relationship between audit delay and audit technology. They found that firms using structured audit approaches have greater mean delay than firms using unstructured approaches. Willekens, (2018) examined the relationships between some company attributes and audit delay over six years (1977-1982) for 465 Canadian public companies. They found that the variables (client industry, type of audit opinion, presence of extraordinary items, loss for the year) were significant for at least four of the six years, and three other variables (log of total assets; fiscal-year-end and audit firm) had consistent signs across the six years.

Ng and Tai (2014) conducted an empirical study to examine the relationship between audit delay and ten company attributes of listed companies in Hong Kong for the years 1990 and 1991. The results showed that the log of turnover and the degree of diversification were significantly related to audit delay in both years. However, they found changes in EPS to be significant in 1990 and significant for reporting extraordinary items in 1991. Abdulla (2016) empirically examined the association between the time lags in disclosure and five corporate attributes of 26 Bahraini companies. The study showed a significant negative relationship between timeliness of publication and the firm's profitability, dividend distributed and size, and

a no significant relationship between timeliness and industry membership. Jaggi and Tshi (2019) empirically examined the association between the audit report lag, auditor business risk, and audit firm technology for Hong Kong companies. The results show that there is a positive association between the audit report lag and the financial risk index for Hong Kong companies, suggesting that companies that are financially weak are associated with longer audit delays. The results also showed that companies audited by audit firms using a structured audit approach have longer audit delays. In his year 2015 study, Owusu-Ansah and Yeoh investigated empirically the timeliness of annual reporting by 47 non-financial companies listed on the Zimbabwe Stock Exchange. The results identified company size, profitability and company age as statistically significant predictors of the differences in the timeliness of annual reports issued by the sample companies. In addition, the results indicated that audit reporting lead time is significantly associated with the timeliness with which sample companies release their preliminary annual earnings announcements, but not with the timeliness of the audited annual reports.

Soltani (2012) examined the timeliness of corporate and audit reports in the French context, using data from French listed companies for each year in the period 1986-1995. He found empirical evidence of an improvement in timeliness of corporate and audit reporting. His study also showed that the existence of a qualified audit tends to lengthen the delay. Leventis, Weetman and Caramanis (2015) examined the audit report lag of companies listed on the Athens Stock Exchange at the time of Greece's transition from an emerging market to a newly developed capital market. The study found a statistically significant association between audit report lag and the type of auditor, audit fees, number of remarks in the audit report, the presence of extraordinary items, and an expectation of uncertainty in the audit report. The results suggest that audit report lag is reduced by appointing an international audit firm or paying a premium audit fee. Dogan, Coskun, and Celik (2017) examined the relationship between a set of explanatory variables (such as good or bad news, financial risk, size and industry) and the timing of annual reports released in companies listed on the Istanbul Stock Exchange (ISE). They found that timeliness in reporting by ISE listed companies is influenced by their profitability. Good news firms (measured by ROE and ROA) release their annual reports earlier than bad news firms. They also found that the timing of annual report releases is affected significantly by company size, increased financial risk, and the timing policy of previous years.

Almosa and Alabbas (2017) investigated the determinants of audit delay for listed joint stock companies in Saudi Arabia. Annual reports for the years 2003–2006 were examined in the study. Multiple regression analysis was applied to model audit delay as a function of many explanatory variables. These variables included company attributes such as corporate size, company profitability and industry sector and auditor attributes such as type of audit firm, and type of audit opinion. The study found that audit delay was positively associated with total assets and negatively associated with income. In the Saudi context, Aljabr (2017), mentioned in Almosa and Alabbas (2014), empirically examined the relationship between the timing of the financial information announcements and some attributes of joint stock companies over the period 2001-2005. The results showed that a firm's debt leverage was negatively associated with the timing of information release.

Al-Ajmi (2018) investigated the timeliness of annual reports of an unbalanced panel of 231 firms-years of financial and non-financial companies listed on the Bahrain Stock Exchange. The study aimed to identify the determinants of the timeliness of Bahraini annual reports during the period 1999-2006. Specifically, it tested the relationship between auditors' and firms' specific characteristics, including corporate governance, with respect to both the timeliness of annual reports and the audit delay. The study found that the determinants of timeliness of annual reporting are company size, profitability, and leverage. No evidence was found to support the effect of auditor type. Conover, Miller and Szakmary (2018) examined financial reporting lags, the incidence of late filing, and the relationship between reporting lags, firm performance and the degree of capital market scrutiny. Their study focuses upon whether the incidence of late filing, and the relationship between reporting days and other variables, differs systematically between common law and code law countries. They found that timely filing is less frequent in code law countries. Poor firm performance and longer reporting lags are more strongly linked in common law countries. They also found that whereas greater capital market scrutiny and more timely filing are related, there is less support for a relationship between the level of debt financing and timely filing in code law countries.

METHODOLOGY

The design of this study is directed at analysing the timeliness of corporate financial reporting in relation to audit firm size and industry sector of companies quoted on the NSE. This work adopted the survey

research design. This design consist of cross-sectional design and longitudinal research design since the study uses selected firms across the Nigeria Stock Exchange spanning ten (10) years, 2012- 2021. The statistical and mathematical tools to be used include percentages, frequencies, tabulation, and descriptive statistics while multiple regression analysis is used to test the hypothesis generated in this work in the introduction section. The multiple regression model is guided by a linear model.

Pooled regression specification

$$TL = \alpha o + \alpha_1 AGE_{1i} + \alpha_2 PAT_{2i} + \alpha 3 NOE_{3it} + \alpha_3 TA_{4it\ 6} + \varepsilon 1_{it} \qquad 3.1$$

Fixed Effect Model Specification

$$TL = \alpha o + \alpha_1 AGE_{1i} + \alpha_2 PAT_{2i} + NOE_{3it} + \alpha_3 TA_{4it\ 6} + \varepsilon 1_{it} \quad \sum_i^9 = 1 \alpha_i idum + \varepsilon 1_{it} \qquad 3.2$$

Random effect model specification

$$TL = \alpha o + \alpha_1 AGE_{1i} + \alpha_2 PAT_{2i} + NOE_{3it} + \alpha_3 TA_{4it\ 6} + \varepsilon 1_{it} \quad + \mu i + \varepsilon 1_{it} \qquad 3.3$$

Where:

TL = timeliness of financial reporting
AUF = audit firm size
PAT = profit after tax
NOE = number of employees
TA = total assets

The method of data analysis to be used in this study is the multiple linear regressions using ordinary least square method. This approach, which is a quantitative technique, includes tables and the test for the hypotheses formulated by using ordinary least square with Econometric View regression analysis at 5% level of significance.

In order to circumvent these problems, panel estimation techniques of fixed and random effects will be adopted in this study, in addition to the traditional pooled regression estimation. Decisions will be made between the fixed and random effect models using the Hausman specification test. The panel model for the study is specified base on the modified model of (Menard, 2015).

$$Y_{it} = \beta X'_{it} + \alpha Z'_i + \varepsilon_{it}$$

Where:

Y = dependent variable
D = independent variable
β_o = intercept
β_i = coefficient of the explanatory variable
e = error term
I = cross-sectional variable
T = time series variable

Moreover, in order to undertake a statistical evaluation of our analytical model, so as to determine the reliability of the result obtained and the coefficient of correlation (r) of the regression, the coefficient of determination (r^2), the student T-test and F-test where employed.

$$\Delta y_t = \beta_1 + \beta_2 + \delta y_{t-1} + \alpha i \sum_{i-1}^{m} \Delta y_{t-1} + Et$$

Where:

Δy_t = change time t
Δy_{t-1} = the lagged value of the dependent variables
Σ_t = White noise error term

If in the above δ =0, then we conclude that there is a unit root. Otherwise, there is no unit root, meaning that it is stationary. The choice of lag will be determined by Akaike information criteria.

DATA PRESENTATION

Tables one contains the cross-sectional data of the variables from the 10 quoted commercial banks from 2012-2021.

Table 1 Corporate Attributes and Timeliness of Financial Reporting: Pooled Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NOE	-0.000103	0.000524	-0.195833	0.8452
PAT	4.747556	3.970751	1.195632	0.0000
TA	0.017096	0.013244	1.290851	0.2000
AGE	-0.000830	0.105110	-0.007894	0.9937
C	81.19528	5.211524	15.57995	0.0000
R-squared	0.220428	Mean dependent var		78.91753
Adjusted R-squared	0.011171	S.D. dependent var		23.41726
S.E. of regression	23.54770	Akaike info criterion		9.196296
Sum squared resid	51567.96	Schwarz criterion		9.302470
Log likelihood	-442.0204	Hannan-Quinn criter.		9.239228
F-statistic	0.646462	Durbin-Watson stat		0.682339
Prob(F-statistic)	0.587126			

Source: Extract From E-View 9.0

Interpretation of the Result Table.1 above, presents the effect of the independent variables on the dependent variables as formulated in a regression model. Evidence from the model found that the pooled effect can explain 22% and 1.1% variation on the dependent variable while the model is statistically not significant by the value of F-statistics and F-probability. The Durbin Watson statistics is less than 1.00, which means the absence of serial autocorrelation. The effect of the independent variables found that number of employees and company age have negative relationship with timeliness of financial reporting which is proxy by number days. However, the t-statistics and the probability proved that from the pooled effect model, all the explanatory variables are statistically not significant except profit after tax of the firms.

Table 2 Corporate Attributes and Timeliness of Financial Reporting: The Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NOE	-0.000601	0.000754	-0.797248	0.4276
PAT	4.747556	3.970751	1.195632	0.0000
TA	-0.004881	0.009815	-0.497347	0.6202
AGE	5.457421	0.216466	2.113131	0.0376
C	62.82663	9.352631	6.717536	0.0000
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.718682	Mean dependent var		78.91753
Adjusted R-squared	0.678494	S.D. dependent var		23.41726
S.E. of regression	13.27795	Akaike info criterion		8.134233
Sum squared resid	14809.52	Schwarz criterion		8.479297
Log likelihood	-381.5103	Hannan-Quinn criter.		8.273760
F-statistic	17.88287	Durbin-Watson stat		1.609418
Prob(F-statistic)	0.000000			

Source: Extract from E-view 9.0

Table 2 presents results of the fixed effect model on the effect of corporate characteristics and timeliness of financial reporting of the ten quoted firms' understudy. The fixed effect model found that the independent variables can explain 71.8 and 67.8 percent variation on the dependent variable which is timeliness of financial reporting. The F statistics and the F-probability proved that the model is statistically significant. The Durbin Watson statistics justifies the absence of serial autocorrelation in the time series. The fixed effect results found number of employees and total assets have negative while profit after tax and age of the firms have positive relationship with timeliness of financial reporting of the selected firms. Coefficient of t-statistics and probability found that profit after tax and company age have significant relationship while number of employees and total assets have no significant relationship with timeliness of financial reporting.

Table 3 Corporate Characteristics and Timeliness of Financial Reporting: The Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
NOE	-0.000552	0.000691	-0.799497	0.4260
TA	-0.005090	0.009602	-0.530051	0.5973
PAT	41.93282	37.73248	1.111319	0.2700
AGE	0.325114	0.184197	1.765034	0.0808
C	68.16512	10.95466	6.222479	0.0000
Cross-section random			23.95109	0.7649
Idiosyncratic random			13.27795	0.2351
Weighted Statistics				
R-squared	0.440865	Mean dependent var		13.81878
Adjusted R-squared	0.309925	S.D. dependent var		13.24443
S.E. of regression	13.18213	Sum squared resid		16160.48
F-statistic	1.320800	Durbin-Watson stat		1.541329
Prob(F-statistic)	0.272354			

Source: Extract from E-View 9.0

However, to further investigate the relationship between corporate characteristics and timeliness of financial reporting, we examine the random effect model. Result from the random effect model found that the independent variables can explain 44.0 percent and 30.9 percent variation on the dependent variable. The model is statistically not significant as the F-statistics and the F-probability is less than the critical value of 0.05. The beta coefficient found that number of employees and profit after tax has negative relationship with timeliness of financial reporting while total assets and company age have positive relationship with timeliness of financial reporting of the selected quoted firms.

Table 4 Panel Unit Root Test

Series: D(NOD)

Method	Statistic	Prob.**
ADF - Fisher Chi-square	27.4292	0.1236
ADF - Choi Z-stat	-1.28930	0.0986

Series: D(NOE)

Method	Statistic	Prob.**
ADF - Fisher Chi-square	42.6609	0.0023
ADF - Choi Z-stat	-2.64838	0.0040

Series: D(TA)

Method	Statistic	Prob.**
ADF - Fisher Chi-square	31.6842	0.0240
ADF - Choi Z-stat	-1.22749	0.1098

Age

Method	Statistic	Prob.**
ADF - Fisher Chi-square	9.77806	0.0443
ADF - Choi Z-stat	-1.88529	0.0297

Source: extract from E-view

The unit root test at first difference shows that all the variables are stationary at first difference; this implies the rejection of null hypothesis of non-stationarity in favour of the alternate for stationarity. The above table also implies that the variables are co integrated in the order or 1(1).

Table 5 Test of Hypotheses

Variables	T-Statistic	P-Value	Observation	Decision
NOE	-0.797248	0.4276	P value > 0.05	Accept H0
TA	1.195632	0.0000	P value< 0.05	Reject H0
PAT	-0.497347	0.6202	P value < 0.05	Reject H0
AGE	2.113131	0.0376	P value < 0.05	Reject H0

Source: Computed from E-view statistical package

Note: hypotheses tested from the results of the fixed effect model based on the validity of the model from Hausman test. The table above summarizes the hypothesis formulated in this study.

DISCUSSION OF FINDINGS: The findings of this study proved that profitability have positive and significant relationship with timeliness of financial reporting of the selected firms (Banks), this finding confirm the a-priori expectation of the study.

The main objective of this study was to examine the Growing Need of corporate attributes and Timeliness of Financial Reporting in Nigeria. To address this, relevant data were collected and analysed, from the analysis, results were obtained and discussed. From the discussion of the results, Audit firm size is found to be significant in determining timeliness, Influence of industry sector such as total assets and number of employees Profitability and financial year end do not appear to have any adverse bearing on financial reporting lag. Most of the findings are contrary with findings of other studies. Overall, three explanatory variables, total assets, age and number of employees did not show predicted signs. However, there is a significant difference in the timeliness of financial reporting among industrial sectors in Nigeria. Base on the cross-sectional time series data, the banking sector was found to be timelier in financial reporting. The results showed that reporting may be reduced by the existence and enforcement of rules and regulations of regulatory bodies. Therefore, the findings of this study can be used in the debate on the effectiveness or otherwise of regulatory provisions regarding timeliness of financial reporting in Nigeria.

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